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Press Release

FOR IMMEDIATE RELEASE

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Attorney General McGraw Recovers \$197K in Settlement in Final International Vitamin Price-Fixing Cartel Case

CHARLESTON – In a case that shut the door on an international price-fixing scheme, West Virginia Attorney General Darrell McGraw today announced a settlement of antitrust charges against 11 vitamin companies yielding nearly \$200 thousand for non-profit health centers and dental clinics in the state.

The settlement resolves a multi-state lawsuit that was filed in Federal District Court in Washington, D.C., on behalf of purchasers of vitamin products against 11 European and Asian drug companies. The suit – brought by 21 states, the District of Columbia, and Puerto Rico – claimed that the firms violated state and federal laws in an international scheme to fix prices and allocate sales of vitamin and vitamin products. These vitamins are used in products including vitamin pills, milk, cereal, bread, and feed for chicken, beef, and fish.

The court ordered that funds from West Virginia's share of the award, \$197,413.82, be utilized for non-profit or charitable organizations with the express purpose of improving the health and/or nutrition of citizens. Consistent with this judicial mandate, in ceremonies today in Beckley and Charleston, checks for \$88,836.22 each will be given to the West Virginia Association of Free Clinics (WVAFC) and the Kanawha County Dental Health Council (KCDHC).

At 9:30 a.m. at the Chandler Elementary School in Charleston, KCDHC Executive Director Dr. Amelia Potesta and Administrator Susan Felber will receive a check on behalf of the dental health council, which provides free dental clinics for schoolchildren, the elderly, and low-income families. At 2 p.m. at the Beckley Health Right Center, WVAFC Executive Director Linda West and Administrator Jeff Graham will accept the check for West Virginia's free clinics, which offer health care services to those who don't have access through traditional methods.

"Some adult West Virginians moving back into the workforce will have free dental care available as a result of the monies collected in this final case in a series of cases involving price-fixing schemes in the international sale of certain vitamins," Attorney General McGraw said. "These settlements should provide incentive to all businesses to steer clear of price-fixing deals."

The 11 companies named in the antitrust agreement are: Akzo Nobel, Inc.; Chinook; Degussa; Lonza AG; Merck, Mitsui; Nepera, Inc.; Reilly; Sumitomo; Tanabe; and UCB Pharma, Inc. In agreeing to the settlement, the vitamin companies admitted no wrong-doing.

In 2000, the states settled price-fixing allegations against other companies involved in the sale of vitamins internationally for \$187 million. The defendants in the settlement announced today will pay a total of approximately \$25 million.

West Virginia consumers can file complaints or alert the Attorney General's Office to unfair or deceptive practices by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at www.WVAGO.gov. For regular consumer news updates, follow the AGO on Facebook and Twitter.

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